

R E M A R K S

Careful review and examination of the subject application are noted and appreciated.

SUPPORT FOR CLAIM AMENDMENTS

Support for the amendments to the claims can be found in the drawings as originally filed, for example, on FIGS. 1, 2, 5, 7 and 10, and in the specification as originally filed, for example, on page 6, lines 9-16 and on page 11, line 30 through page 12, line 17. As such, no new matter has been introduced.

CLAIM REJECTIONS UNDER 35 U.S.C. §101

The rejection of claims 12-34 under 35 U.S.C. §101 is respectfully traversed and should be withdrawn.

The Office has the burden to establish a *prima facie* case that the claimed invention as a whole is directed to solely an abstract idea or to manipulation of abstract ideas or does not produce a useful result (see M.P.E.P. §2106(II)(A)). Furthermore, the Office must expressly state how the language of the claims is interpreted to support a rejection under 35 U.S.C. §101 (see M.P.E.P. §2106(II)(A)). The Office Action fails to meet the Office's burden to expressly state how the language of the claims has been interpreted to support the rejection under 35 U.S.C. §101. Specifically, the Office Action states:

In this case storing the determined total bid in the database and declaring a winning bidding group from a plurality of bidding groups do not produce a tangible result (page 2, section 2, lines 6-8 of the Office Action).

The Office Action merely recites a limitation from claim 12 and a limitation from claims 17 and 31. Nowhere does the Office Action expressly state **the interpretation given to** the claim language "storing the determined total bid in the database," as recited in claim 12 or "declaring a winning bidding group from a plurality of bidding groups," as recited in claims 17 and 31, which lead the Office to the conclusion that **no tangible result is produced**. Furthermore, the Office Action is silent with regard to the specific limitations recited in the dependent claims 2-16, 18-30 and 32-43. Therefore, the Office Action fails to meet the Office's burden to expressly state how the language of the claims has been interpreted to support the rejection. As such, the rejection of claims 12-43 under 35 U.S.C. §101 does not appear to be sustainable and should be withdrawn.

Furthermore, the rejection of the presently pending claims under 35 U.S.C. §101 does not appear to be proper in that only when claims are devoid of any limitation to a practical application in a technological arts should the claims be rejected under 35 U.S.C. §101 (M.P.E.P. §2106(II)(A)). M.P.E.P. §2106(II)(A) provides as examples illustrating inventions that have a practical application because they produce useful, concrete and

tangible results: (1) The transformation of data representing discrete dollar amounts by a machine through a series of mathematical calculations into a final share price (M.P.E.P. §2106(II)(A) citing *State Street*, 149 F.3d at 1373, 47 USPQ2d at 1601); (2) Claims drawn to a long-distance telephone billing process containing mathematical algorithms (M.P.E.P. §2106(II)(A) citing *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1358, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999)).

Similarly to the examples presented in M.P.E.P. §2106(II)(A), the presently claimed invention clearly produces useful, concrete and tangible results. Specifically, the present invention takes data (bids from bidders on a plurality of remote computers) representing discrete dollar amounts, transforms the data through mathematical calculation (i.e., accumulating the bids received from the bidders to determine a total bid) and fixes the transformed data for recording and reporting (i.e., storing the total bid in a database). The transformation of bids from the bidders on a plurality of remote computers into a total bid which is stored in a database produces a useful, concrete and tangible result in that the total bid is fixed and recorded for the purpose of determining the disposition of property offered at auction. Therefore, the presently pending claims do not appear to be devoid of any limitation to a practical application in the technological

arts. As such, the rejection under 35 U.S.C. §101 does not appear to be proper and should be withdrawn (see M.P.E.P. §2106(II)(A)).

Furthermore, the Office Action fails to meet the Office's burden in that the Office Action does not appear to evaluate the scope of the claim by considering every limitation in the claim (see M.P.E.P. §2106(II)(C)). Specifically, the Office Action points to elements of the claims in isolation (e.g., determining total bid in a data base and declaring a winning bidding group from the plurality of bidding groups). The Office Action does not appear to have considered the claims as a whole as required by the Supreme Court in *Diamond v. Deere* (see M.P.E.P. §2106(II)(C)). As such, the rejection under 35 U.S.C. §101 does not appear to be proper and should be withdrawn.

Furthermore, the Office Action states:

If the result is merely a thought, this is not a tangible or real-world result (page 2, section 2, lines 5-6 of the Office Action).

Claim 12 recites "storing registered bidding groups in **a database coupled to a processor in an auction computer**" and "storing the determined total bid in **the database**." Storing registered bidding groups in **a database coupled to a processor in an auction computer** and storing the determined total bid in **the database** are not merely a thought. Thus, the presently pending claim 12 recites acts that produces a tangible, real-world result. Specifically, the database coupled to a processor of an auction computer defines a structural

and functional inter-relationship between a data structure (i.e., the database) and the computer software and hardware components which permit the data structure's functionality to be realized and therefore recites statutory subject matter (see M.P.E.P. §2106(B)(1)(a)). In particular, the process of claim 12 recites acts which alter the data structure by specifically storing information (i.e., registered bidding groups and the determined total bid) in the database. One skilled in the art would clearly recognize that the stored registered bidding groups and stored determined total bid can be demonstrated to be tangible merely by using the computer to access the database. Furthermore, one skilled in the art would clearly recognize that storing the registered bidding groups and determined total bid in a database coupled to a processor of an auction computer would involve a real-world effect such as changing a charge stored in a memory cell, altering a magnetic sense of a domain on a disk, changing a phase of a material of a disc, etc. Furthermore, one skilled in the art would clearly recognize that storing the registered bidding groups and determined total bid stored in the database are useful in light of the specification's example of using the stored total bid to affect the purchase of property. As such, the rejection of claims 12-34 under 35 U.S.C. 101 does not appear to be proper and should be withdrawn.

Similarly, the limitation recited in claims 17 and 31 of "receiving bids from bidders , each bid including a bid designation corresponding to one of the plurality of bidding groups" does not appear to be merely a thought. Thus, the presently pending claims 17 and 31, when taken as a whole, recite acts that produce a tangible, real-world result. As such, the rejection of claims 12-43 under 35 U.S.C. 101 does not appear to be proper and should be withdrawn.

Although Applicant's representative does not necessarily agree with the position taken in the Office Action that the claimed invention is directed to non-statutory subject matter, the claims have been amended to materially advance the prosecution of the present application in view of what appears to be the Office's interpretation that the results of the claimed invention are merely a thought. However, if the claims are still considered to define subject matter that is not considered statutory, Applicant's representative respectfully requests that the Examiner identify any features of the invention set forth in the written description that the Examiner would consider as rendering the claimed subject matter statutory if recited in the claims as provided for in M.P.E.P. §2106(IV) (B) .

COMPLETENESS OF THE OFFICE ACTION

The Office Action does not appear to be complete as required under 37 C.F.R. 1.104. Specifically, the Office Action fails to specifically address the specific limitation recited in claims 13-16, 18-30 and 32-43. In every Office Action, each pending claim should be mentioned by number, and its treatment or status given (see M.P.E.P. §707.07(i)). The Office Action is totally devoid of any explanation of the rejections with regard to the specific limitations recited in the dependent claims 2-16, 18-30 and 32-43 (see page 2, section 2 of the Office Action). Furthermore, the rejection only refers to claims 12-34. No mention of the status of claims 35-43, other than they remain pending, is present in the Office Action (see page 2 of the Office Action). Therefore, the Office Action fails to meet the Office's burden to mention each pending claim by number, and give its treatment or status (see M.P.E.P. §707.07(i)). As such, the Office Action does not appear to be complete as to all matters as required under 37 C.F.R. 1.104(b). Applicant's representative respectfully requests that should a subsequent Office Action be deemed necessary by the Examiner, that such subsequent Office Action be non-final.

New claims 44 and 45 depend, directly or indirectly, from claim 31 which is believed to be allowable.

Accordingly, the present application is in condition for

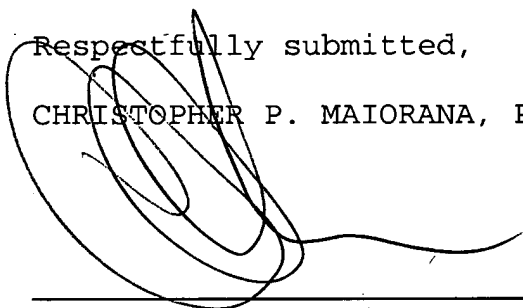
allowance. Early and favorable action by the Examiner is respectfully solicited.

The Examiner is respectfully invited to call the Applicant's representative at 586-498-0670 should it be deemed beneficial to further advance prosecution of the application.

If any additional fees are due, please charge Deposit Account No. 50-0541.

Respectfully submitted,

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